Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-10 AF-06 ARA-06 EA-07 NEA-10 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

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FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4125

INFO AMEMBASSY BERN

AMEMBASSY STOCKHOLM

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AMEMBASSY CARACAS

AMEMBASSY BRASILIA

AMEMBASSY VIENNA

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KUWAIT PASS BAGHDAD

E.O. 11652: GDS

TAGS EGEN, ENRG, BCOM

SUBJECT: PREPCON II: FIRST DAY

REF: PARIS 26355

1. SUMMARY: FIRST DAY OF PREPCON MARKED BY HARMONY AND EXPEDITIOUS HANDLING OF MOST AGENDA ITEMS.
ATMOSPHERE OF COOPERATION PREVAILED. PREPCON DELEGATIONS ACCEPTED PROPOSED AGENDA WITH TWO MODIFICATIONS: ADDITION OF ITEMS ON (1) GENERAL GUIDELINES FOR COMMISSIONS AND (2) RULES OF PROCEDURE FOR MINISTERIAL CONFERENCE. OPENING STATEMENTS WERE UPBEAT, STRESSING ECONOMIC INTERDEPENDENCE AND COOPERATION. THE PREPCON AGREED THAT THE CONFERENCE WOULD (A) HAVE 27 PARTICIPANTS (WITH FIVE NEW DC'S AND 12 NEW LDC'S SELECTED BY THEIR RESPECTIVE GROUPS); (B) BE CALLED "CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION"; (C) BEGIN ON DECEMBER 16, LASTING TWO TO THREE DAYS; AND (D) MEET IN PARIS.

THE U.S. PROPOSAL FOR ROTATING CO-CHAIRMEN FOR THE CONFERENCE, ONE REPRESENTING THE INDUSTRIAL NATIONS AND THE OTHER THE LDC'S, WAS APPROVED. CONSENSUS WAS DEFINED TO MEAN THAT DECISIONS COULD BE TAKEN ONLY IF CONFIDENTIAL

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NO DISSENTING VOTE WAS CAST BY A PARTICIPATING DELEGATION. AT THE CONCLUSION OF MONDAY'S SESSION, UNDER SECRETARY ROBINSON HELD AN ON-THE-RECORD PRESS CONFERENCE, TOUCHING ON A BROAD RANGE OF ISSUES RELATED TO THE DIALOGUE. ON TUESDAY, PREPCON MUST ADDRESS THE MORE CONTENTIOUS ISSUES OF GUIDELINES AND OBSERVERS FOR THE COMMISSIONS AND FUTURE SECRETARIAT. END SUMMARY.

- 2. IN MONDAY STRATEGY MEETING PRIOR TO OPENING OF PREPCON II, U.S. DEL AGREED THAT WE WOULD SEEK TO HAVE GENERAL GUIDELINES FOR COMMISSIONS WORKED OUT IN THE PERIOD BETWEEN PREPCON II AND THE MINISTERIAL CONFERENCE, SINCE NEITHER THE FRENCH CHAIR NOR THE EC DELEGATION WAS PREPARED TO TACKLE THIS ISSUE AT THE PREPCON. OUR STRATEGY WILL BE TO NEGOTIATE THESE GUIDELINES, IF POSSIBLE, WITH VENEZUELA (PEREZ-GUERRERO REPRESENTING THE SEVEN) AND THE FRENCH TTECHNICAL CHAIRMAN. INCLUSION OF THE FRENCH CHAIRMAN SHOULD MAKE THIS ARRANGEMENT LESS OBJECTIONABLE TO THE EC (PARTICULARLY WELLENSTEIN) WHICH PREFERS THAT THE COMMUNITY AND JAPAN BE CO-EQUALS WITH THE U.S. IN DEALING WITH PEREZ-GUERRERO. IN ORDER TO ENSURE DEFINITION OF CONSENSUS, WE DECIDED TO REQUEST THAT AGENDA INCLUDE OUR ITEM ON DRAFT RULES OF PROCEDURE FOR CONFERENCE.
- 3. PREPCON II OPENED WITH FRENCH TECHNICAL CHAIRMAN WELCOMING RESUMPTION OF DIALOGUE, ESTABLISHING LINK BETWEEN CURRENT MEETING AND APRIL PREPCOON, AND STRESSING THE FRENCH CONTRIBUTION IN GETTING THE DIALOGUE BACK ON TRACK. PEREZ-GUERRERO, SPEAKING FOR THE TEN PARTICIPATING DELEGATIONS, RESPONDED WITH SHORT UPBEAT PRESENTATION. IN HIS STATEMENT AND LATER OPENING STATEMENTS OF OTHER DELEGATIONS, FRENCH ROLE IN THE DIALOGUE WAS COMMENDED, BUT CONTRIBUTIONS OF OTHER MEMBERS ALSO WERE NOTED.
- 4. THE FRENCH AGENDA FOR PREPCON II (REFTEL) WAS ADOPTED WITH TWO MODIFICATIONS. ALGERIA PROPOSED ADDING AN ITEM 7(D) TO DEAL WITH THE QUESTION OF CONFIDENTIAL

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GUIDELINES FOR THE FOUR COMMISSIONS. AFTER SOME DEBATE WITH THE EC, FORMULATION "ORIENTATIONS GENERALES" (GENERAL QUIDELINES) (WITH A PARENTHETICAL REFERENCE TO PARA 3.4 IN THE FRENCH CONSENSUS) WAS APPROVED FOR ITEM 7(D). IN ACCEPTING THIS LANGUAGE, THE ALGERIANS, SUPPORTED BY OTHER MEMBERS OF THE SEVEN, MADE CLEAR THAT THEY DID NOT INTERPRET THE REFERENCE TO PARA 3.4 OF THE CONSENSUS PROPOSAL AS RESTRICTING THEIR DISCUSSION OF THIS ISSUE.

5. THE U.S. HAD ARRANGED IN ADVANCE WITH THE FRENCH TECHNICAL CHAIRMAN TO INCLUDE "DRAFT RULES OF PROCEDURE FOR CONFERENCE" UNDER AGENDA ITEM NO. 8. THIS WAS ACCEPTED WITHOUT OBJECTION.

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ACTION EUR-12

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-07 NEA-10 ERDA-05

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FM AMEMBASSY PARIS

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INFO AMEMBASSY BERN

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6. PRIOR TO ADJOURNMENT FOR LUNCH, THE U.S., EC. VENEZUELA (SPEAKING FOR THE SEVEN), AND JAPAN MADE OPENING STATEMENTS. ALL WELCOMED RESUMPTION OF DIALOGUE AND NEW ATMOSPHERE OF COOPERATION AMONG DEVELOPED AND DEVELOPING COUNTRIES. THEY CALLED ATTENTION TO ROLE OF APRIL PREPCON IN STARTING THE PROCESS OF GREATER INTERNATIONAL UNDERSTANDING. THEY STRESSED THEME OF ECONOMIC INTERDEPENDENCE OF NATIONS, AND MOST MENTIONED THE UNGA SEVENTH SPECIAL SESSION AS INDICATIVE OF NEW CLIMATE OF COOPERATION THAT CURRENTLY PERVADES THE INTERNATIONAL COMMUNITY. IN HIS GENERALLY POSITIVE REMARKS, PEREZ-GUERRERO LINKED THE DISCUSSION OF THE FOUR ELEMENTS OF THE DIALOGUE (ENERGY, RAW MATERIALS, DEVELOPMENT, AND FINANCIAL ISSUES) TO PROMOTION OF THE NEW INTERNATIONAL ECONOMIC ORDER.

7. THIS SPIRIT OF COOPERATION PERVADED AFTERNOON SESSION AS WELL, AGENDA ITEMS 3-6 AND PART OF ITEM 8 WERE DISPENSED WITH QUICKLY AND WITHOUT CONTENTION. AT SUGGESTION OF FRENCH TECHNICAL CHAIRMAN, DISCUSSION OF ITEM 7--PROPOSALS ON FOUR COMMISSIONS--WAS POST-POSED UNTIL TUESDAY SINCE THIS IS AREA WHERE SOME DEVELOPING COUNTRIES (ALGERIA AND SAG) INDICATED THEY MAY PROPOSE CERTAIN CHANGES OR MODIFICATIONS TO CONSENSUS.

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8. THE PREPCON TOOK THE FOLLOWING DECISIONS: AGENDA ITEM 3: THE CONFERENCE WILL BE CALLED "CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION" (PROPOSED BY IRAN; SUPPORTED BY EC, US, AND JAPAN).

--AGENDA ITEM 4A: AGREED TO THE CALLING OF THE CONFERENCE. THE EC RAISED THE PROCEDURAL POINT THAT FORMAL AGREEMENT TO CONVENE THE CONFERENCE WAS NOT POSSIBLE UNTIL ALL AGENDA POINTS HAD BEEN AGREED. THE CHAIRMAN SAID THAT, SHOULD PROBLEM ARISE, IT COULD BE DEALT WITH WHEN FINAL PREPCON DECLARATION CONTAINING DECISIONS AND RECOMMENDATIONS FOR THE MINISTERIAL WAS CONSIDERED.

--AGENDA ITEM 4B: AGREED ON SPLIT OF EIGHT INDUSTRIALIZED NATION REPRESENTATIVES AND 19 REPS FROM DEVELOPING COUNTRIES.

AGENDA ITEM 4D: AGREED THAT EACH SIDE WOULD CHOOSE ITS OWN REPRESENTATIVES WITHOUT DISCUSSION; NO RRESTRICTION WAS PLACED ON HOW 19 LDC'S SHOULD BE DIVIDED BETWEEN OPEC AND NON-OIL LDC'S. UPON SELECTION, HOST COUNTRY AND TECHNICAL CHAIRMAN SHOULD BE NOTIFED OF THE 12 NEW OPEC/LDC COUNTRY PARTICIPANTS AND FIVE NEW INDUSTRIAL COUNTRY PARTICIPANTS

ITEM 4E: AGREED THAT UN SECRETARY GENERAL WOULD "PARTICIPATE" IN CONFERENCE, BUT ISSUE WAS PASSED OVER QUICKLY, AND NO DECISION MADE ON WHETHER HE WOULD ATTEND IN PERSONAL CAPACITY OR AS HEAD OF UN. NEITHER WAS A DECISION MADE ON CONDITIONS UNDER WHICH HE WOULD BE PRESENT.

ITEM 4F: DATE OF CONFERENCE TO BEGIN ON
DECEMBER 16 AND CONTINUE 2 TO 3 DAYS, AS NECESSARY.
(U.S. PROPOSED DECEMBER 16-17 AS ONLY TIME WHEN
SECRETARY KISSINGER COULD ATTEND. AGRED TO
POSSIBILITY OF THIRD DAY AS PROVIDED IN THE CONSESUS
MEMORANDUM AT INSISTENCE OF VENEZUELA.)
ITEM 5: PARIS WAS UNANIMOUSLY APPROVED AS SITE
OF CONFERENCE.

ITEM 6: CHAIRMEN: AFTER DE GUIRINGAUD INDICATED THAT GOF DID NOT BELIEVE NORMAL DIPLOMATIC PRACTICE OF HOST COUNTRY ASSUMING CHAIR SHOULD BE FOLLOWED, U.S. PROPOSAL FOR TWO ROTATING CO-CHAIRMEN--ONE CONFIDENTIAL

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SELECTED BY INDUSTRIAL NATIONS AND ONE BY DEVELOPING NATIONS--WAS APPROVED. AFTER SELECTION, CO-CHAIRMEN WOULD WORK OUT ARRANGEMENT FOR ALTERNATION IN CHAIR TO ASSURE EQUALITY OF STATUS AND PARTICIPATION. FRENCH TECHNICAL CHAIRMAN, IN SUMMING UP CONSENSUS ON ISSUE, ADDED CLARIFICATION: THAT THIS WAS A RECOMMENDATION TO CONFERENCE, BUT FINAL DECISION WOULD HAVE TO BE MADE BY ALL 27 PARTICIPANTS AT CONFERENCE.

ITEM 8: UNDER DISCUSSION OF RULES OF PROCEDURE
IT WAS AGREED THAT DECISIONS AT CONFERENCE WOULD BE BY
CONSENSUS, DEFINED TO MEAN NO DISSENTING VOTE BY ANY
PARTICIPATING DELEGATION. U.S. INITIALLY ALSO SOUGHT
AGREEMENT THAT CONSENSUS MEANT THAT NO DELEGATION
COULD BE ABSENT WHEN DECISION TAKEN, BUT AGREED WITH
AN ALGERIAN SUGGESTION THAT PROCESS COULD BE STYMIED
BY WILLFUL ABSENCE OF ONE DELEGATION. (TECHNICAL
CHAIRMAN NOTED THAT CONFERENCE RATHER THAN PREPCON
WOULD HAVE TO DECIDE RULES OF PROCEDURE FOR
COMMISSIONS.)

AGREED THAT OFFICIAL AND WORKING LANGUAGE FOR CONFERENCE WOULD BE ENGLISH, ARABIC, FRENCH, AND SPANISH.

9.FRENCH CHAIRMAN PROPOSED THAT FRANCE PROVIDE AND FINANCE SMALL, ADMINISTRATIVE SECRETARIAT THROUGH THE FIRST MEETING OF CONFERENCE OF 27. AFTER THIS MEETING, A MULTILATERAL SECRETARIAT SHOULD BE SET UP. THE CHAIRMAN PROPOSED TO MAKE AVAILABLE A PAPER ELABORATING THIS PROPOSAL. VENEZUELA, U.S., AND EC SAID THE SECRETARIAT ISSUE WAS IMPORTANT AND DECISION SHOULD BE POSTPONED UNTIL TUESDAY, WHEN DELEGATION WOULD HAVE HAD TIME TO STUDY THE FRENCH PAPER. THE CHAIRMAN AGREED.

10. AS LAST ITEM OF BUSINESS, CHAIR ASKED IF PREPCON DELEGATIONS OBJECTED TO RELEASING FRENCH CONSENSUS PROPOSAL TO PRESS. (AGENDA OF PREPCON HAD BEEN RELEASED EARLIER IN DAY.) ALGERIA OBJECTED, AND WAS SUPPORTED BY VENEZUELA. THE CHAIRMAN SAID THE PAPER WOULD NOT BE RELEASED (ALTHOUGH HE PRIVATELY TOLD CONFIDENTIAL

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US THAT IT HAD ALREADY BEEN LEAKED TO PRESS.) RUSH

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To: STATE

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